SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB

Extended Trip Report:
Transport Security Forum in Cairo

Travel Dates: 8 – 11 February 2004

Theo Lyimo: Customs Reforms Advisor
SMAK Kaombwe: Transport Policy Advisor

Submitted by:
Chemonics International, Inc.

Submitted to:
**Regional Canter for Southern Africa,
U.S. Agency for International Development
Gaborone, Botswana**

February, 2004

USAID Contract No. 690-I-00-00-00149-00

TRIP REPORT
TRANSPORT SECURITY FORUM
<u>**Cairo, Egypt (8 – 11 February, 2004)**</u>

The Hub Customs Reform Advisor, Theo Lyimo, and SMAK Kaombwe, Hub Transport Policy Adviser, attended the Transport Security Forum in Cairo, Egypt, from 9 to 11 February 2004, which was sponsored by U.S. Trade and Development Agency (USTDA) in cooperation with the U.S. Departments of Homeland Security, Transportation, State, and Commerce, and the World Customs Organization.

With the two consultants were 10 other attendants sponsored by RCSA, namely, Lovemore Bingandadi, Regional Infrastructure Advisor, from the USAID-RCSA, B. M. Mudongo from Botswana, Thabo Khasipe from Lesotho, Helen Mbukwa and Paschal Chikaonda from Malawi, Luduvina Uache and Simao Horacio from Mozambique, Eldorette Harmse from Namibia, and S. Ling'omba and M. Mbangu from Zambia. Hans Garoeb of Namibia was also sponsored but was not able to attend.

Other participants were senior U.S. Government and regional officials as well key representatives from maritime and civil aviation authorities, customs officials, port and airport operators, freight forwarders, air and ocean carriers, and corporate shippers from a large number of countries in Africa and the Middle East. Over 75 U.S. companies took part in the forum and provided 14 sponsorships.

Conference Programme and highlights

The forum was designed to help nations to integrate new cargo and vessel security procedures and technologies into their foreign trade and transport operations.

In addition to USTDA Director Thelma J. Askey, other speakers at the *Opening Plenary* session were Egyptian Head of Maritime Transport, Admiral Essam El Deen Badawy; U.S. Ambassador to Egypt David Welch; and Deputy Commissioner of Customs and Border Protection Douglas M. Browning. Mr. John Jamian, Deputy Administrator of the U.S. Maritime Administration, presented a keynote luncheon address.

Under the theme *Secure Trade Through New Partnerships and New Technologies*, the conference covered a variety of topics, including the U.S. Maritime Transportation Security Act of 2002, Advanced Manifest Information rules, the Container Security Initiative (CSI) and the Customs-Trade Partnership Against Terrorism program (C-TPAT).   The forum also focused on the International Maritime Organization's International Ship and Port Facility Security (ISPS) Code, and the World Customs Organization's supply chain security standards. Other topics included public-private initiatives, such as the Safe and Secure Trade Lanes Initiative and Operation Safe Commerce. In addition, more than a dozen projects in Africa, the Middle East and South Asia in the areas of port and airport modernization and the modernization of Customs and tracking information systems were highlighted.

Many of the Customs and port officials participating in the forum also presented information on a variety of projects under development to expand ports and airports and modernize Customs and tracking information systems. The projects featured present partnership and procurement opportunities for U.S. companies with security expertise. Officials from the Overseas Private Investment Corporation were also present at the forum and discussed financing available to companies for projects in the region.

The conference provided a comprehensive elaboration of the various cargo security initiatives and the technologies and resources available to assist with compliance. Extensive literature and exhibits were presented. The representatives of countries and TKC and Dar es Salaam Corridor stakeholders participating at the conference expressed greater understanding of the issues involved and actions that must be taken to ensure compliance to the new requirements. They also made contacts with potential sources of assistance and technologies available. Many of them undertook to develop strategies and action plan for implementation.

The USTDA also announced approval of a grant to partially fund a $1.32 million smart and secure logistics chain pilot project and feasibility study to enhance the trade capacity and supply chain security in SACU. The project concerns implementation of new security oriented business processes and the deployment of radio frequency identification (RFID) and related transportation security technologies along both land based and seagoing trade lanes connecting Walvis Bay, Cape Town and the US.

Lessons from the Forum

The participants would have appreciated from the forum that both the public and private sector worldwide are preoccupied with the security of the logistics chain and that the US is leading the initiative. Governments, acting in international organizations like the World Customs Organization and the International Maritime Organization are undertaking collaborative initiatives to secure the logistics chain. A number of companies are now providing advisory services in logistics chain security while others are inventing, manufacturing or supplying software and hardware to facilitate the monitoring of export logistics and the exchange of data between trade operators and administrative authorities. The forum may be likened to an exchange facility where the security requirements were declared and then international organizations and private sector companies publicised the wares available in the market for meeting the requirements.

The first message that participants from the region got is that, in the near future, without introducing the security measures required it would not be possible to export to the US, Canada, EU and other major trading partners. This is not only because of administrative restrictions but also because US importers will prefer importing from countries, or through ports, that have complied with the security requirements. For the countries of the regional transport corridors, it is therefore in their mutual interest that each complies with the security requirements. In this connection it was judicious for the RCSA to sponsor participants from the corridors since the emphasis of the presentations was on the security

of the logistics chain - involving not only the exporting and importing countries but also transit countries.

The first step in introducing the security requirements is their clear understanding by the logistics chain operators including Customs and transport and trade operators. Most of these operators and administrative authorities in the region have yet to understand the security requirements and their implications. The participation of the representatives of corridors in the Cairo forum was useful but not adequate for several reasons, among them, the small number of participants, their role in their organizations, the small number of trade operators, and the fact that the programme of the forum was not designed to focus on the needs of a particular region or set of countries. There is, therefore, a need for a workshop on transport security with a programme designed for the needs of the countries of the region.

The second message from the forum was that there is a lot of sophisticated technology out there designed or being developed to facilitate implementation of security measures and administrative controls while ensuring trade efficiency. There were number of companies demonstrating software and hardware for various purposes and soliciting business from participating countries. Container scanners and other detecting and monitoring equipment were the most tempting to port authorities and Customs administrations. It is good to know what is available, but few countries in the region are in a position to evaluate the equipment in the light of their needs. Furthermore, countries need to be able to assess whether they need such equipment given their low volume of container traffic and lack of the expertise, e.g. in risk management, and technical support which go with the use of the equipment. The aforementioned special workshop for the countries of the region would offer opportunity for the countries to exchange views on some of the new technology, especially container scanners.

The third message the participants would have got from the forum is that the countries of the region should participate actively in the work of international organizations like the WCO and IMO, which have included logistic chain security in their work programme. As members of these organizations, the countries should participate in their work not only to gain knowledge but also to ensure that their interests are taken into account in the decisions of the organizations. Related to this message is that as members of the organizations, the countries are expected to implement the measures already recommended by them.

Participants from the forum will also have concluded rightly that to implement the security initiatives requires collaborative efforts also at national level. As one participant has pointed out in his report, there is need to establish national transport security committees on which all concerned authorities and private sector interests will be represented.

Way Forward

In order to ensure that the region continues to participate in international trade competitively, there is need for the member countries to develop and implement a plan of action that will ensure timely response to cargo security initiatives and compliance to international requirements. However, these countries need assistance. Through organizing the Cairo forum, the USTDA has generated a lot of regional interest and momentum that needs to be sustained. This has been achieved with the collaborative support of the RCSA sponsorship of forum participants from among the TKC and Dar corridor key partners/stakeholders.

The immediate follow up action would be to generate greater and broad based awareness of key transport logistics chains' operators and administrative authorities on the requirements and needed actions. The awareness would help the countries to develop and implement comprehensive action plans in a collaborative manner particularly along all main international trade routes. This could be achieved by organizing a <u>regional workshop on cargo security</u> involving the TKC and DC countries (Botswana, Namibia, South Africa, Malawi, Tanzania and Zambia), Mozambique, because of its position as a main transit country for international trade, and Swaziland and Lesotho, the remaining SACU countries

The USTDA is already supporting implementation of some cargo security pilot projects along some road, rail and sea trade lanes in SACU. The RCSA is also well suited to be a prime mover since its mandate has a regional trade development and trade facilitation focus.